

Schaeffler India Limited
(Formerly known as FAG Bearings India Limited)
Head Office & Works · P.O. Maneja, Vadodara – 390013, Gujarat, India

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI- 400 001

National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex, Bandra (E)
MUMBAI- 400 051

Company Code: 505790

Company Code: SCHAEFFLER

Your reference, your message from

Our reference, our message from

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Date

17.04.2018

Sub: Investor Presentation

Dear Sirs,

Pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the Investor Presentation on Financial Results for the quarter ended March 31, 2018 and updates on the merger process.

The same is for your records.

Thanking you,

Yours faithfully,

For **Schaeffler India Limited**
[Formerly known as FAG Bearings India Limited]

Chirag K Shukla
Company Secretary



Encl.: As above.

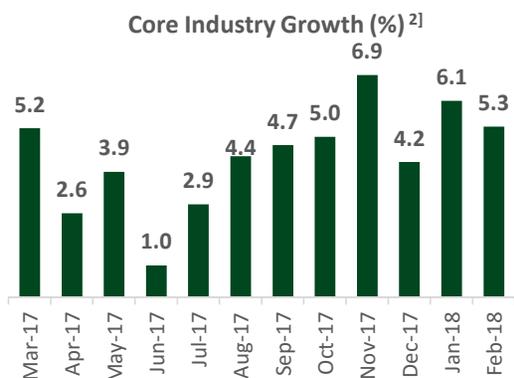
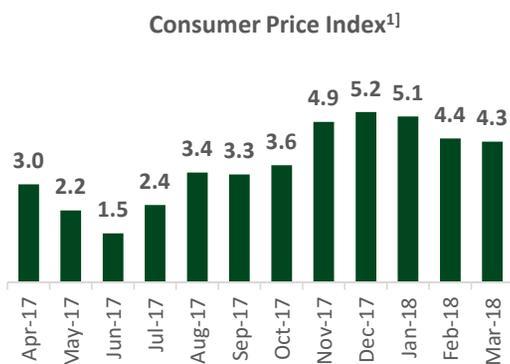
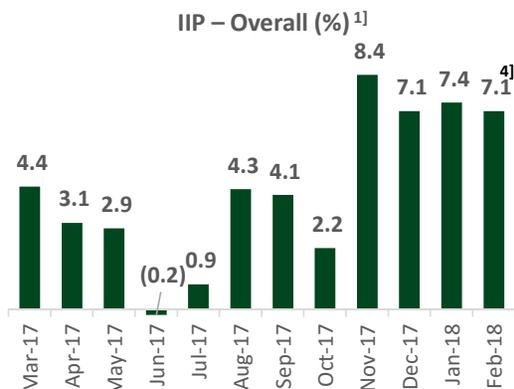
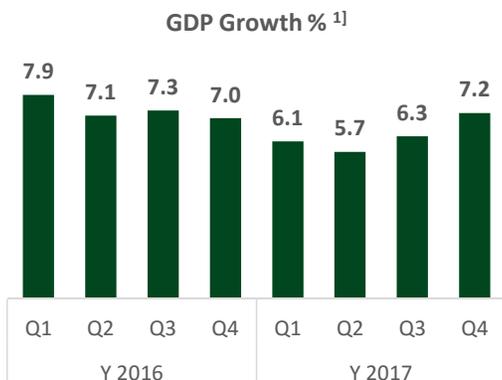


Investor Presentation

Schaeffler India Limited
April 18, 2018

- 1** Economy & Market
- 2 Financial update Q1 2018
- 3 Transaction update
- 4 Key takeaways

India is amongst the fastest growing large economies of the world



Key Aspects

- ▶ GDP growth on recovery path
- ▶ Massive investment push in infrastructure in Union Budget 2018-19 – €75 Bn allocated to infrastructure including €18 Bn to Railways
- ▶ Hike in custom duty and cess on imported auto components to have an impact on our business

Economy appears to be recovering; infrastructure spending and private consumption to give further boost

[1] Source: Central Statistics Office, [2] Source: Office of the Economic Adviser, [3] EAC is a recently constituted independent body of economists (reporting directly to the PM) to suggest measures to bring the economy back on track [4] Based on quick estimates
 Note: IIP growth has been updated with base as 2011-12

Positive sentiments in infrastructure and utility market

Cement Production (Mio T)

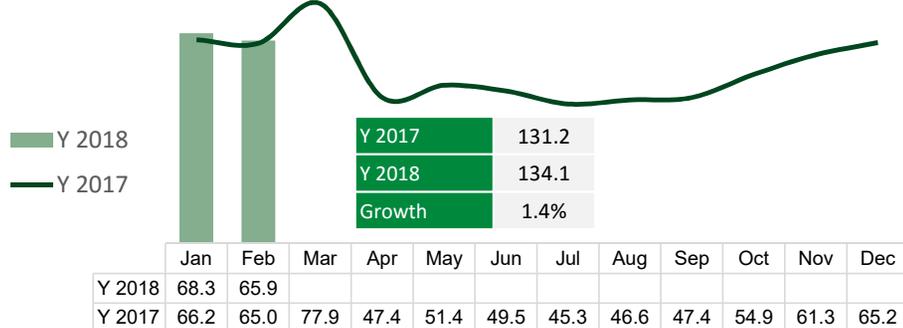


Steel Production (Mio T)



Strong start to the year as IIP and Core Industries continue the growth story from 2017

Coal Production (Mio T)



Electricity Generation (Bn KWH)



Source: Office of the Economic Adviser

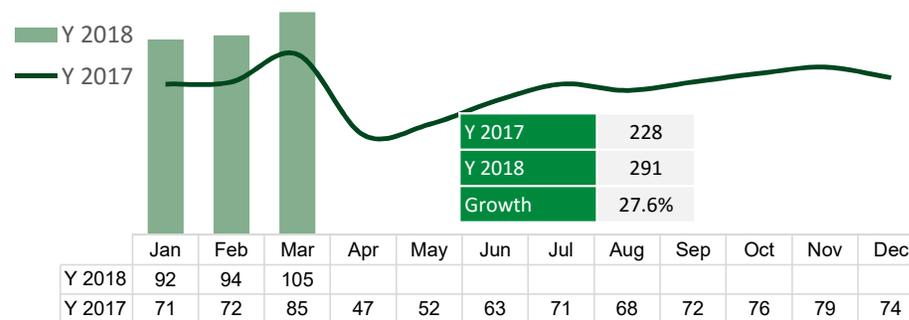
Growth momentum in mobility expected to continue in 2018

in T Units

Two and Three Wheelers¹



Commercial Vehicles¹



High growth in Two Wheelers and Commercial Vehicles partly due to favorable base effect ; Passenger Vehicles and Tractors continuing the growth trend in 2018

Passenger Vehicles¹



[1] Source: Society of Indian Automobile Manufacturers (SIAM)

Agriculture Tractors²



[2] Source: Tractor Manufacturer Association (TMA); *Mar is estimated production

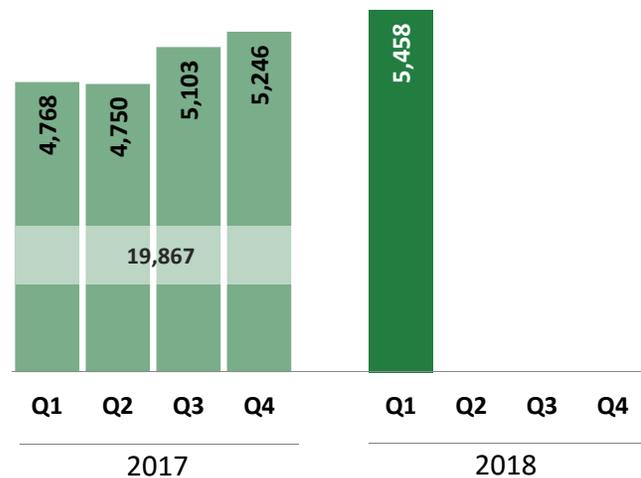
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Schaeffler India Limited : Total income (Net)

Total Income (Net)

Mio INR

| Q1-2018 over Q4-2017 | Q1-2018 over Q1-2017 |
|----------------------|----------------------|
| 4.1% | 14.5% |



EBT Margin

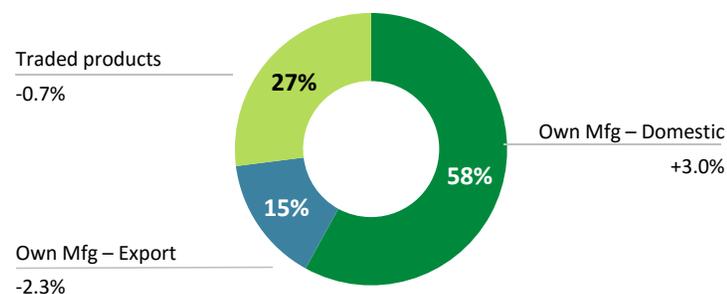
| 2017 | 2018 |
|-------|-------|
| 18.1% | 18.0% |
| 17.6% | |
| 17.8% | |
| 19.4% | |
| 18.2% | 18.0% |

Key aspects

- ▶ Q1-2018 over Q4-2017 : : Moderate growth of 4.1% contributed by Automotive OE and Industrial.
- ▶ Q1-2018 over Q1-2017 : Strong growth of 14.5% driven by growth in Industrial (14.4%) and Automotive OE (26.5%)

Sales mix Q1 2018

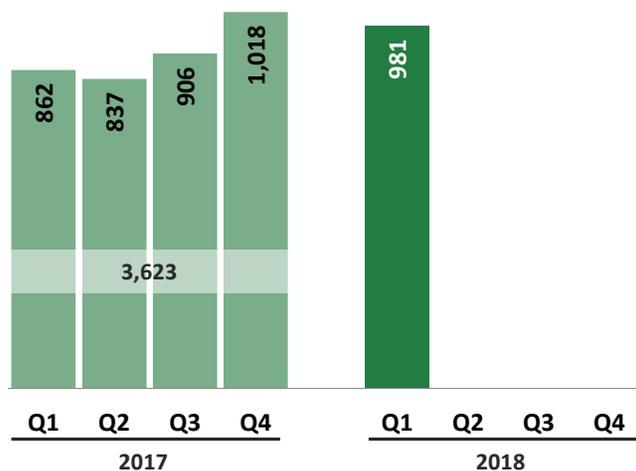
y-o-y growth



Schaeffler India Limited : Earnings Before Taxes (EBT) Development

EBT
Mio INR

| Q1-2018 over Q4-2017 | Q1-2018 over Q1-2017 |
|----------------------|----------------------|
| -1.4%pts | -0.1%pts |



EBT Margin

| | | | | | | | |
|-------|-------|-------|-------|-------|--|--|--|
| 18.1% | 17.6% | 17.8% | 19.4% | 18.0% | | | |
| 18.2% | | | | 18.0% | | | |

Key aspects

- ▶ Better sales volume in domestic market ensures stable EBT
- ▶ Average EBT sustained

Schaeffler India Limited : Q1 Performance Highlights

| in million INR | Q4 2017 | Q1 2018 | Q1 2018 vs Q4 2017 | | Q1 2017 | Q1 2018 vs Q1 2017 | |
|---|---------|---------|-----------------------|-------|---------|-----------------------|-------|
| Total income (Net)^[1] | 5,246 | 5,458 | 212 | 4.1% | 4,768 | 690 | 14.5% |
| EBITDA | 1,039 | 987 | -52 | -5.0% | 906 | 81 | 8.9% |
| % Margin | 19.8% | 18.1% | -1.7% ▲ | | 19.0% | 0.8% ▲ | |
| EBT | 1,018 | 981 | -37 | -3.6% | 862 | 120 | 13.9% |
| % Margin | 19.4% | 18.0% | -1.4% ▲ | | 18.1% | -0.1% ▲ | |
| EAT | 679 | 660 | -19 | -2.8% | 575 | 86 | 14.9% |
| % Margin | 12.9% | 12.1% | -0.8% ▲ | | 12.1% | 0.0% ▲ | |

[1] Net of taxes for all the periods

Financial statements – Q1 2018 and pro forma

| Key Highlights | Schaeffler India Ltd | | INA Bearings India Pvt. Ltd | | LuK India Pvt Ltd | | Schaeffler India Ltd (Proforma) | |
|--------------------|----------------------|-------|-----------------------------|-------|-------------------|-------|---------------------------------|--------|
| | CY 17 | 3M 18 | CY 17 | 3M 18 | CY 17 | 3M 18 | CY 17 | 3M 18 |
| Total income (net) | 19,867 | 5,458 | 11,951 | 3,157 | 8,575 | 2,558 | 40,216 | 11,130 |
| % growth (y-o-y) | 6.5% | 14.5% | 14.0% | 10.6% | 17.3% | 30.2% | 10.8% | 16.5% |
| EBITDA | 3,739 | 987 | 1,668 | 435 | 1,478 | 447 | 6,885 | 1,869 |
| % margin | 18.8% | 18.1% | 14.0% | 13.8% | 17.2% | 17.5% | 17.1% | 16.8% |
| EBT | 3,623 | 981 | 1,155 | 309 | 1,124 | 365 | 5,902 | 1,654 |
| % margin | 18.2% | 18.0% | 9.7% | 9.8% | 13.1% | 14.3% | 14.7% | 14.9% |
| EAT | 2,380 | 660 | 743 | 201 | 773 | 250 | 3,896 | 1,111 |
| % margin | 12.0% | 12.1% | 6.2% | 6.4% | 9.0% | 9.8% | 9.7% | 10.0% |

[1] Based on audited financials year ending 31st Dec 2017 (thereof Schaeffler India Limited represents IND-AS financials 2017)

[2] 3M 2018 numbers are unaudited (thereof Schaeffler India Limited based on unaudited limited review)

[3] Proforma is after eliminating Intercompany transactions amongst three entities

[4] Total income (net) is net of taxes for all periods

Key aspects (INA & LuK)

- ▶ Consistent revenue growth in Engine systems, Transmission applications and clutch systems
- ▶ Better earning quality due to revenue growth and improvement in operational performance

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Transaction expected to be completed in Q3 2018 and is currently on track

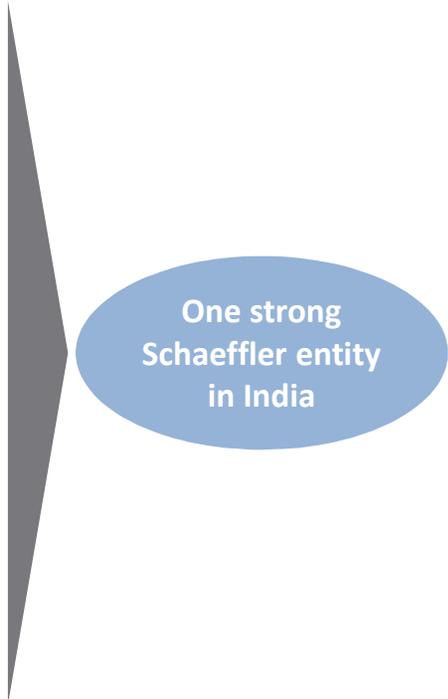
| Key events | Expected date |
|---|----------------------|
| ▶ Requisite applications submission to BSE, NSE and SEBI for approvals | ✓ Q3CY17 |
| ▶ BSE, NSE and SEBI approvals | ✓ Q4CY17 |
| ▶ Applications to NCLT (Mumbai and Chennai benches) in India | ✓ Q4CY17 |
| ▶ Notice to shareholders and creditors | ✓ Q1CY18 |
| ▶ Shareholder approvals <ul style="list-style-type: none"> – Approval of majority of public shareholders – Approval of majority (in number) of shareholders and creditors representing 75% in value | ✓ Q1CY18 |
| ▶ NCLT approval | Q2CY18 ¹⁾ |
| ▶ BSE, NSE and SEBI approvals for listing | Q3CY18 |
| ▶ Closing of transaction | Q3CY18 |

1) Can get delayed to beginning of Q3CY18

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One strong Schaeffler entity in India

- 1 Economic growth momentum expected to continue
- 2 Strong domestic sales growth in both Automotive and Industrial divisions
- 3 Better Sales volume supports to maintain EBT margins
- 4 Expect growth in order book given effects of GST seem to be subsiding
- 5 Merger activities progressing as per plan



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for your attention

